

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0109 MVE

Motor Vehicle Excise Tax

For Tax Period: 06/30/95 Through 04/30/96

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ISSUE

I. Motor Vehicle Excise Tax – Imposition

Authority: IC 9-18-2-1

Taxpayer protests the imposition of the motor vehicle excise tax on his 1993 Mitsubishi.

STATEMENT OF FACTS

Taxpayer first licensed and registered his 1993 Mitsubishi in Indiana in August of 1996. Taxpayer had purchased the vehicle in June of 1995. The Indiana Bureau of Motor Vehicles collected a portion of the motor vehicle excise tax for the period prior to August of 1996. The Department assessed additional motor vehicle excise tax due for the period prior to August 1996. The taxpayer protested this assessment. Additional relevant facts will be provided below, as necessary.

I. Motor Vehicle Excise Tax – Imposition

DISCUSSION

Pursuant to Indiana Code section 9-18-2-1, an Indiana resident must register all motor vehicles, owned by that person, within sixty days of becoming an Indiana resident.

Taxpayer filed Full-Year Resident Indiana Individual Income Tax Returns throughout the assessment period.

Accordingly, the Department finds the taxpayer was an Indiana resident and was required to license and register his vehicle in Indiana.

Taxpayer claims he properly licensed and registered the 1993 Mitsubishi immediately after purchasing the vehicle in June 1995. Upon inspection of the Bureau of Motor Vehicles records, however, there is no evidence the vehicle was registered prior to August 13, 1996. Taxpayer has failed to provide any proof the vehicle had been registered earlier. The Department expressed a willingness to review proof of payment of the motor vehicle excise tax (i.e., returned checks) which was never submitted.

Alternatively, taxpayer claims that when he licensed and registered the vehicle in August 1996 he also paid the motor vehicle excise tax for the period prior to that date. The Bureau of Motor Vehicles did collect an amount of tax which was applied to the period prior to August 1996. However, the Bureau's computer system was not capable of figuring the correct amount of tax for the 1995 tax year when the system had already been converted to the 1996 rates. Also, the computer gave the taxpayer a Lottery Credit which went into effect January 1, 1996. Taxpayer would not have been given the Credit had he properly registered the vehicle at the time required by the Indiana Code.

The Department's assessment reflects the difference between the 1995 and the 1996 motor vehicle excise tax rates and the amount of the Lottery Credit which was applied incorrectly.

FINDING

Taxpayer's protest is denied.